



Testimony Before the House Revenue Committee
Relating to HB 3023A, -14 amendments
May 13, 2019

Submitted by Ethan Nelson, Intergovernmental Relations Manager

Chair Nathanson and Members of the Committee:

Thank you for holding a public hearing today on House Bill 3023. For the record my name is Ethan Nelson, the City of Eugene's Intergovernmental Relations Manager, I am here representing the City of Eugene's strong opposition to HB 3023 and the -14 amendments. In addition to today's testimony, I will also highlight the previous testimony from Eugene City Councilor Jennifer Yeh, during the March 18th Public Hearing in House Business and Labor Committee.

As my colleague from the City of Portland showcased, HB 3023 and the -14 are problematic for a number of reasons and this bill's process has been problematic from the beginning. Rather than it be what proponents have characterized as a 'work group bill', it is an industry based template that has been utilized across the country to reduce oversight, transparency, and public safety.

The cities of Eugene and Portland, the two jurisdictions with comprehensive and negotiated TNC regulations, were not invited to the table to draft HB 3023, nor have our priority concerns been addressed in any version of this bill. Additionally, a wide range of stakeholders including cities, labor, insurance, and the industry **were** part of a work group process during the interim, which resulted in HB 3379. The common critique of HB 3379 is that it was too complex. Last week, Uber's Initial Public Offering was valued at over 80 billion dollars, with Lyft's IPO in March valued at over 23 billion dollars. This is a complex industry with far reaching global impacts that start and end within local communities.

The legislature should initiate an interim work group process to fully address the complexity of this industry and impact on communities. For example, here is a short list of recent studies and actions that would form a starting point for developing comprehensive public policy related to TNC's:

- The City of Chicago recently announced it will publishing anonymized ride hailing data. This helps transportation planning agencies understand the impacts of TNC's and respond accordingly. This is not included in HB 3023.
- In a 2017 study from UC Davis it showed that ridesharing decreases use of public transit and contributes to an increase in VMT. This is counter to Oregon's adopted transportation policies and those of countless cities and MPO's in the state. Proponents for the bill hail it as environmentally friendly.
- The San Francisco County Transportation Authority annual report found that TNCs accounted for approximately 50% of the rise in congestion in San Francisco between 2010 and 2016, as indicated by three congestion measures: vehicle hours of delay, vehicle

miles travelled, and average speeds. HB 3023 would preclude any city from regulating TNC's to mitigate this.

- The State of Washington Legislature's Joint Transportation Committee completed a 2019 Policy Guide for Regulation of Transportation Network Companies. This study provides a landscape view of how other states are approaching regulation. The report specifically calls out 'template regulations proposed by the TNC's themselves', as being the basis for some early adopters. With this much knowledge, why should Oregon settle for bad public policy?
- The Texas A&M Transportation Policy Research Center recently conducted research on behalf of the Texas State Legislature regarding TNC regulation and a 2018 report from Shaller Consulting, whose principal was a former Deputy Commissioner for Traffic and Planning at NYC DOT, found:
 - The limited information available about TNC users and service areas suggests that TNCs primarily serve users who have higher incomes in urban areas, whereas suburban and rural areas and for people with disabilities and those without smartphones continue to be reliant on traditional taxi services. This is counter to what HB 3023 promises, a statewide regulatory framework that will open the floodgates for ridesharing across the state.
 - TNC data can provide meaningful information to understand the role of TNCs and to inform decision making about transportation policy. However, due to TNCs' concerns about privacy and competition, data-sharing agreements have not been common between TNCs and government agencies. HB 3023 relegates data sharing into an agreement to be developed sometime in the future.
 - Additionally, the Shaller report highlights the impacts that TNC regulation has on the future deployment of autonomous vehicles, and states, 'without public policy intervention, the likelihood is that the autonomous future mirrors today's reality: more automobility, more traffic, less transit, and less equity and environmental sustainability.' And 'policy-makers should steer AV development away from this future today with steps to manage TNCs and personal autos and emphasize frequent, reliable, and comfortable high capacity transit service.'

This is just a small sample of qualitative and quantitative information that is missing from this process. The state of Oregon can do better than HB 3023. Cities such as Eugene and Portland have shown that it is feasible to create a balanced program that provides clarity, consistency, and efficiency while safeguarding public safety, consumer protection, and transportation system integration.

This overview of recent research and findings helps to create the understanding of why a coalition of interests is opposed to HB 3023 and the -14 amendments.

Recently, at the Legislature's request, ODOT staff reviewed HB 3023 A and provided recommendations for future amendments. While Eugene is thankful for this work and see ODOT's recommendations moving in the right direction, they do not fundamentally address the core issue of lax regulatory oversight that the base bill includes. And even more concerning, is the fact that the -14 amendments leave much of ODOT's substantive regulatory and oversight recommendations out, which is concerning for cities that would enter into an IGA with ODOT for implementation at the local level.



Below is a quick list of differences between ODOT’s recommendations and the -14 amendments, on some items, additional comments are provided related to language that would be required to meet the current standard of oversight by the City of Eugene.

Section	ODOT Recommendation	-14 Amendment	City Comment
2			Preemption of local government.
3	Include ‘regulatory’ in ODOT’s charge to develop Rules.	‘regulatory’ is related to existing TNC’s to continue operating in the state.	Removes direction for ODOT to establish licensing and ‘regulatory’ program.
4	Removes restrictions for specifying information kept in records and maintained.	Kept the records retention to drivers and rides.	Language should be broad to include data in Sect 1-15.
5			Background Check info and process. Explicitly does not provide authority to complete to state or by IGA to local gov, only TNC.
6			Rider complaint process-does not provide any oversight authority for state or local gov, internal process only.
10	<ol style="list-style-type: none"> 1. ODOT ‘shall’ inspect records. 2. ODOT removed ‘solely’. 3. TNC ‘shall’ make records available for compliance. 4. Removed language requiring mutual agreement on method for samples. 5. Added requirement that TNC shall make records available for transportation system planning. 	<ol style="list-style-type: none"> 1. ODOT ‘may’ inspect records 2. Keeps ‘solely’, to define purpose of records inspection. 3. If after a review, Dept ‘reasonably concludes’, then they ‘may’ conduct random inspections. 4. Kept language to mutual agree on method for samples. 5. Did not include requirement, adds ‘may enter into data sharing agreements.’ 	Pertains to Section 4 and background check information. The effect is that the -14 reduces the regulatory oversight of the state and therefore cities via an IGA to effectively access data related to the TNC programs
11	Adds IGA language	Adds IGA language and additional provisions on funding that are broad and unclear, as well as rules between parties of the IGA.	

12	ODOT strikes ceiling of the fee at 10 cents per ride for wheelchair programs.	Keeps the 10 cent per ride ceiling for wheelchair programs.	The amount should be determined in Rules based on the needs and conditions of the individual communities. And it is only available for communities/metro areas over 90,000.
13	Removed the requirement that ODOT consult with TNC's before investing in EV infrastructure.	Keeps the requirement to consult with TNCs on EV infrastructure investments.	
15			Should add the ability for local governments to impose civil penalty as granted through an IGA. Add a provision that the fee schedule for civil penalty be developed in Rule Making.
17			Add a provision that establishes a Rule Making Committee with equal representation from industry, local gov, state agencies, and labor/insurance/equity/transit/environmental stakeholders.

Eugene's TNC system is working. At an interim work group meeting, industry representatives even stated that Eugene's system is working and should be supported. We have not heard any complaints from drivers, operators, or the public in regard to our system. HB 3023 would completely eliminate Eugene's system, and replace it with a statewide program that provides lax oversight by ODOT and reduces the level of service, a change truly for the worse.

The City of Eugene asks that you do not schedule a work session on HB 3023, rather direct ODOT to hold an interim work group on developing recommendations for a comprehensive statewide bill that includes the perspectives of cities, counties, labor, insurance, equity, environment, TNC drivers, and the industry.

Thank you.